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LINDA LINGLE  
GOVERNOR



**STATE OF HAWAII**  
**PUBLIC UTILITIES COMMISSION**  
**DEPARTMENT OF BUDGET AND FINANCE**  
485 S. KING STREET, #103  
HONOLULU, HAWAII 96813

CARLITO P. CALIBOSO  
CHAIRMAN

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COMMISSIONER

JANET E. KAWELO  
COMMISSIONER

Telephone: (808) 586-2020  
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June 7, 2006

Warren H. W. Lee  
President  
Hawaii Electric Light Company, Inc.  
P.O. Box 1027  
Hilo, Hawaii 96721-1027

John E. Cole  
Executive Director  
Division of Consumer Advocacy  
Department of Commerce and Consumer Affairs  
P.O. Box 541  
Honolulu, Hawaii 96809

Re: Docket No. 05-0315 - Application for Approval of Rate Increases and Revised Rate Schedules and Rules

Dear Messrs. Lee and Cole:

This letter is to inform you that the Public Utilities Commission will be holding a public hearing regarding the above-referenced application on June 26, 2006, commencing at 6:00 p.m., at Hilo High School Cafeteria and on June 27, 2006, commencing at 6:00 p.m. at Kealahou Intermediate School Cafeteria. See enclosed "Notice of Public Hearing".

The "Notice of Public Hearing" will be published statewide on June 4, 11, 18 and 25, 2006, in all five island/county newspapers.<sup>1</sup>

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<sup>1</sup>The newspapers are the Honolulu Star Bulletin, Hawaii Tribune-Herald, West Hawaii Today, The Maui News and The Garden Island.

Warren H. W. Lee  
John E. Cole  
June 7, 2006  
Page 2

Should you have any questions on this matter, please do not hesitate to contact the undersigned at 586-2047.

Sincerely,

A handwritten signature in black ink, appearing to read "Benedyne S. Stone".

Benedyne S. Stone  
Commission Counsel

BSS:sl

Enclosure

c: Dean Matsuura  
Thomas W. Williams, Jr., Esq.  
Peter Y. Kikuta, Esq.

## **NOTICE OF PUBLIC HEARING**

### **APPLICATION OF HAWAII ELECTRIC LIGHT COMPANY, INC. FOR APPROVAL OF RATE INCREASES AND REVISED RATE SCHEDULES AND RULES**

#### **DOCKET NO. 05-0315**

NOTICE IS HEREBY GIVEN that pursuant to chapters 91 and 269, Hawaii Revised Statutes ("HRS"), the STATE OF HAWAII, PUBLIC UTILITIES COMMISSION ("Commission"), will hold a public hearing relating to the application of HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), filed on May 5, 2006, for approval of a general rate increase and revised rate schedules and rules. The public hearing will be held as follows:

**Date:** Monday, June 26, 2006  
**Time:** 6:00 p.m.  
**Location:** Hilo High School Cafeteria  
556 Wai'anuenue Avenue  
Hilo, HI 96720

**Date:** Tuesday, June 27, 2006  
**Time:** 6:00 p.m.  
**Location:** Kealahou Intermediate School Cafeteria  
74-5062 Onipa'a Street  
Kona, HI 96740

HELCO is an operating public utility engaged in the production, purchase, transmission, distribution, and sale of electricity on the Island of Hawaii. HELCO seeks Commission approval of a general rate increase of approximately \$29,931,100, or 9.24 percent, over revenues at present base rates. The requested increase is based on estimated total revenue requirements of \$354,019,700 for the normalized 2006 calendar test year (based on actual fuel prices effective on February 1, 2006 and an 8.65 percent rate of return on HELCO's average rate base).

HELCO's present rates are the result of a Commission decision issued in February of 2001 for the HELCO 2000 test year rate case. HELCO states that it has filed this request for a general rate increase due primarily to the addition of plant and equipment in HELCO's system, and increasing costs of labor, materials, contract services, depreciation and other operating expenses. HELCO states that without further rate relief, its rate of return on average rate base will be approximately 4.1 percent for the normalized 2006 test year, as compared to the 9.14 percent authorized by the Commission in 2001.

HELCO requests that its general rate increase and the revisions to its rate schedules and rules take effect in two (2) steps:

1. Interim Increase: An interim increase in rates equal to which the Commission finds HELCO is "probably entitled," based on the evidentiary record, pursuant to HRS § 269-16(d); and

2. Final Increase: A general rate increase upon the Commission's issuance of its final Decision and Order that provides for the amount of the total requested revenue increase that was not included in the interim rate increase.

The projected revenue to be generated by sales at present and proposed rates, the total increase requested in terms of dollars and by percentage, and the allocation of the increase among the various classes of service in terms of dollars and by percentage are as follows:

<u>Rate Class</u>	<u>Sales Revenues at Present Rates</u>	<u>Sales Revenues at Proposed Rates</u>	<u>Proposed Increase</u>	<u>Proposed Increase</u>
	(\$000s)	(\$000s)	(\$000s)	% Increase
Schedule R Residential	\$129,577.5	\$141,557.6	\$11,980.1	9.25 %
Schedule G General Service, Non-Demand	\$33,909.0	\$37,044.1	\$3,135.1	9.25 %
Schedule J General Service, Demand	\$95,527.2	\$105,672.6	\$10,145.4	10.62 %
Schedule H Commercial Cooking, Heating, Air Conditioning & Refrigeration Service	\$4,805.7	\$5,250.0	\$444.3	9.25 %
Schedule P Large Power Service	\$58,114.9	\$62,146.6	\$4,031.7	6.94%
Schedule F Street Light Service	\$1,249.9	\$1,393.6	\$143.7	11.50 %
Total Sales Revenues	\$323,184.2	\$353,064.5	\$29,880.3	9.25%
Other Operating Revenues	\$904.4	\$955.2	\$50.8	5.62%
Total Revenues	\$324,088.6	\$354,019.7	\$29,931.1	9.24%

The actual amount of increase for each rate schedule may be different from the proposed amounts, as a result of the Commission's decision in this proceeding.

HELCO is also proposing to modify its Rule No. 8, section E, "Returned Check Charge" by changing its title to "Returned Payment Charge." HELCO is proposing to make this change in title to reflect the different payment options (e.g., automatic bill payment, credit card, and debit card in addition to check payments) that are now available to customers, and to allow HELCO to apply the same service charge on "returned" payments (due to insufficient funds) made through any of these options.

The Commission will determine whether the proposed revenue increase, changes in rate schedules and rules, and other matters requested or proposed by HELCO, are just and reasonable. The Commission will hold an evidentiary hearing sometime after the conclusion of the public hearing unless HELCO and the applicable parties in this docket, at their option and upon the Commission's approval, waive the evidentiary hearing. The total revenue increase for the 2006 test year will not exceed the \$29,931,100 over revenues at present base rates (based on February 1, 2006 fuel prices) that HELCO requests. However, the increase in rates and charges to be finally approved by the Commission, if any, may be higher or lower than the proposed rates and charges for the various rate schedules of service noted above.

All interested persons are invited to attend the public hearing to state their views orally, in writing, or both. Written statements may be submitted prior to or at the public hearing. Statements may be mailed to the Public Utilities Commission, 465 South King Street, #103, Honolulu, Hawaii, 96813. Statements may also be sent by electronic mail to the Commission's e-mail address at [Hawaii.PUC@hawaii.gov](mailto:Hawaii.PUC@hawaii.gov).

Motions to Intervene or Participate in this proceeding shall comply with Subchapter 4, Rules of Practice and Procedure Before the Commission, Hawaii Administrative Rules, Title 6, Chapter 61. A motion to intervene or participate in this proceeding shall be filed with the Commission's Honolulu office by July 7, 2006.

Copies of HELCO's application and supporting documents are available for public inspection during regular business hours at the following locations:

**PUBLIC UTILITIES COMMISSION**  
465 S. King Street, #103  
Honolulu, HI 96813  
Phone: (808) 586-2020

**HAWAII ELECTRIC LIGHT COMPANY, INC.**  
1200 Kilauea Avenue  
Hilo, Hawaii 96720

**Kona Baseyard**  
74-5519 Kaiwi Street  
Kailua-Kona, Hawaii 96740

**Waimea Baseyard**  
66-1591 Kawaihae Road  
Kamuela, Hawaii 96743

**HAWAIIAN ELECTRIC CO., INC.**  
900 Richards Street  
Honolulu, HI 96813  
Phone: (808) 543-5670

**DEPARTMENT OF COMMERCE  
AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY**  
335 Merchant Street, #326  
Honolulu, HI 96813  
Phone: (808) 586-2800

Special needs to accommodate persons with disabilities can be made if requested reasonably in advance by contacting the Commission's Honolulu office.



Carlito P. Caliboso  
Chairman

Honolulu Star-Bulletin  
Hawaii-Tribune Herald  
West Hawaii Today  
The Maui News  
The Garden Island  
June 4, 11, 18, and 25, 2006